G. R. S. IX-5]

7.5

*Previous references.*

File No. 16 B 1896

191 .

Serial Nos. 1 – 5

( Bankieg)

*Later references.*

BKg 14 – 1896

# GENERAL AND REVENUE SECRETARIAT.

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*Serial Nos.*

**Part B for** February 1897

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SUBJECT.

Agricultural Banks at Chickamagalur.

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Indexed
JM

W D 88—GPB—50,000—24-7-16

Form

Memo.

In re. Agricultural Bank at Chilmuqulum.

Letter No. 736 dated 22nd. April 1896 from the Dy Commissioner of the Kadra District.

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The number of villages to be benefitted by the establishment of the proposed Agricultural Bank at Chilmuqulum is 41. There are 26 members owning property worth about Rs 1998,400 or 20 lacs in round number with a liability of Rs 32,000/.

The loan applied for is 3 lacs of Rupees and

the members propose that loans under Class IV should be raised from Rs 500/- to Rs 1000/-, while loans under any of the other three classes may be granted to the extent of Rs 40,000/- This is contrary to the principle enunciated in para 6 of Government Proceedings No 5038-47 of 7e 274 2nd December 95, but it is a question whether the Coffee Planters require an exceptional treatment as therein anticipated.

2. The Commissioner doubts whether the members will all use the money for the bona fide purpose of improving and working their Estates & will not borrow the money at a low rate of interest and lend it out at a much higher rate

as is not unfrequently the case and thinks that some penal clause should be attached to the rules, should such be found to take place hereafter.

This doubt is easily cleared by a reference to para 55 of the articles of Association which runs as follows: —

"No loan shall be appropriated "for any other purpose than "that for which it is obtained "Its appropriation for any "other than an approved "purpose shall render it "liable to be recalled by "a notice not exceeding three "weeks."

3 The Commissioners instead of submitting an extract from the Salcombe Map has sent up the Salcombe Map itself duly marking thereon in red pencil, the Villages of the

applicants. The members should have affixed their signatures to both the Memorandum & Articles of Association instead of a few to the former & the rest to the latter.
Submitted for orders.

A.G.
7/5/96

The amount of the loan applied for, viz 3 lakhs, is very large-

The probable value of the lands held by the members is stated to be about 20 lakhs In the absence of an independent opinion of a responsible authority, it is a question whether this value may be accepted-

Almost all the members are coffee planters

Submitted for orders

H
7/5/96

Subd to Secty
12/5/96

Subd R Nevan

This does not allow to be
Most cases contemplated

by the Rules for the Grant of Loans by Agricultural Banks. The area is not a limited one but it means only half a Taluk. The loan asked for is not within reasonable limits. The sums proposed to be lent to individuals — less, one — fall in excess of the limit laid down by Govt. For these & other reasons I do not deem expedient to entertain this application.

13-5-96.

Gen. 30]

From W. C. Srinivasa Row
Coffee Planter
& Secy, Pro tem.

To
The Revenue Secretary to the
Govt. of Mysore.

Dated 21st March 1896.

Despatched

Received

General No.

No.

Enclosure No.

Forwarding list of members of the proposed agricultural Bank of Chikmagalur and requesting early establishment of the Bank

References to be marked.

Sorted vote draft
WB
30/3/96

Draft for A.C. (7)

Gen. 30.]

189

From The ~~Revenue~~ Secretary to the Government of Mysore.

To The Deputy Commissioners Kadur Districts.

Dated 1.4.96.

Despatched 4

Received

General No. 9065-

No. A.H.117-95-

Enclosure No. 2

Forwards herewith for early disposal or report if necessary, letter dated 21st March 96 from Mr. C. Srinivasa Row, Coffee Planter Nilkunjalur regarding the establishment of an Agricultural Bank at that place

Bowles
1-4-96.
Secy

31/3/96

30/3/96

Gen. 31

8

Cl. No. 804
No. 5609
1896 R
27 APR. 96
DEWAN'S OFFICE

From

The Deputy-Commissioner
Kaira District

To

The Secretary to Govt.
General and Revenue
Departments

Dated 22
Despatched 24 } April 1896.
Received

General No. 736 / 1895-96.
No.

Enclosure No. 2 + 2 Bks. + one map
separately

Submitting the required Memorandum and Articles of Association for the establishment of an Agricultural Bank at Chikhalwadi and reporting on the Solvency or otherwise of the proposed Members thereof.

Rev. Dept
27-4-96

Rev.
1/5/96.

Dy. Collector Officiating
7/5/96

Deputy Commissioner's Office
Kadur District

Chikmagalur 22nd April 1896.

From

The Deputy Commissioner
Kadur District

To

The Secretary to Government
General and Revenue depto

Sir,

With reference to your letter of 27th November 1895, No $\frac{4921}{\text{Fl } 266}$ enclosing Pro-ceedings of a meeting held at Chikmagalur on 29th October 1894 for the purpose of establishing an Agricultural Bank at that place and asking me to obtain a fresh memorandum and articles of Association of the said Bank with a complete report as to the solvency of each of the members concerned, I now have the honor to submit the required memorandum and in which it will be seen that the members ask that class IV may be raised from Rs 500 to Rs 1000 and class I from Rs 2000 to Rs 40000.

As regards the solvency of the members the Amildar reports that all the

members are solvent, but being doubtful of this fact, I caused the Registration Registers to be searched with the result that Nos 1 and 10, Messrs Srinivasa Rao and Vasudeva Rao had hypothecated their crop to Messrs Binny and Co. for the last year for Rs 12700/- There are also rumours current that Mr Srinivasa Rao owes large sums of money to Bagmane Annegowda and to the late Rangia Hebbar, but apparently there is nothing in the Registration Registers about this.

3 Nos 20 and 21, Bagmane Ranié gowda and B. Lingé Gowda, hypothecated their crops during last season to Messrs Binny and Co. for Rs 55500/-

4 No 4, Veerathé Gowda, has also hypothecated his last year's crop to Messrs Binny and Co for Rs 13000/-

5. No 25, Batni Venkat Rao, has mortgaged his estate for Rs 10000/-

6. Nos 7 and 8, Annigeri Shama Rao and Bheema Rao, have mortgaged

gaged their estate for Rs 10000/.

7 No 18, C. Raja Rao, has mortgaged his estate for Rs 4000/.

8. No 16, Ganjam Abdul Khader, has mortgaged his estate for Rs 8000/.

9. Nos 7, 8, 16, 18 and 25 having previously mortgaged their estates, I am doubtful whether they would be allowed under the Rules to become members of the Bank. As regards the others, as there is nothing in the registers to show that they are encumbered in any way, there is nothing to prevent their becoming members.

10 It may be presumed from this that the members of this Bank wish to borrow money from Government instead of from the Coffee Firms, as they can get it at a cheaper rate from the former, but it is a question whether the members will all use the money for the bona fide purpose of improving and working their estates, or whether they will not borrow the money at a low

low rate of interest and lend it out at a much higher rate as I believe is not unfrequently the case, and I think that it would be as well to attach some penal clause to the rules should such be found to take place hereafter.

please see Article No 55 which appears to be sufficient for all purposes.

The Taluk map of the villages in which the applicants hold lands are marked in red pencil, together with Vernacular correspondence ending with Chikmagalur Taluk Amildar's report No 1400 dated 14th Instant, is forwarded for reference.

12. Statement shewing certain particulars regarding the applicants is herewith submitted in the form prescribed in Government Proceedings No 5038-47 / Jl 274 dated 2nd December 1895.

I have the honor to be

Sir

Your most obedt Servant

H H Parker

Deputy Commissioner

Kadur District

Statement showing the solvency or otherwise of the Agricultural Bank at Chikmagalur

| Proposed name of the Bank and the names of villages to be benefited by it | Name of Members | Residence of Members |
|---|---|---|
| Agricultural Bank at Chikmagalur<br><br>1 Chikmagalur<br>2 Joldahal<br>3 Mylemane<br>4 Anur<br>5 Chengondanhalli<br>6 Aralguppe<br>7 Hirekolale<br>8 Bagmane | 1 C. Srinivasarao bin Krishnappa | Chikmagalur |
| | 2 B. Gurappa bin Ramaya Pleader | do |
| | 3 T. Raghvendrappa bin N. ppa Treasurer | do |
| | 4 C. Veerabhadre gowda bin Kave gowda | do |
| | Kavegowda bin Kempe gowda | do |
| | Kempe gowda bin Somma Chetty | do |
| | Siddappa Chetty | do |

of the applica to for the establishment of the Ag

| Arable land possessed | | | | | | | | Probable value of the land | If encumbered how much and for how much | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|
| Mandayem land | | | | Inam land | | | | | | |
| Area | | Assessment | | Area | | Assessment | | | | |
| A | G. | Rs | A | A | G. | Rs | A | | | |
| 476 | 24 | 759 | 4 | - | - | - | - | 145000 | no | Solvent |
| 203 | 39 | 242 | 4 | Mandy 196 | - | 646 | - | 63000 | no | — do — and 1/6 of the Inam lands in Hochihalli Hadur Taluk |
| 123 | 20 | 123 | - | - | - | - | - | 60000 | | — do — |
| 386 | 22 | 652 | 8 | 17 | 22 | 23 | - | 30000 | No | Lands in the villages of Tivaganga and Machenhalli Tarikere Taluk and Inam Mannle village Shimoga Taluk are also added. |
| 70 | 5 | 56 | - | 294 | 12 | 29 | 3 | 4000 | | |
| 580 | 7 | 831 | 8 | 311 | 34 | 52 | 3 | 94000 | | |
| 168 | 22 | 366 | 8 | - | - | - | - | 108000 | no | Solvent |
| 29 | 11 | 178 | - | - | - | - | - | 3000 | no | — do — |
| 275 | 27 | 320 | 2 | - | - | - | - | 100000 | no | — do — |

| | | |
|---|---|---|
| 31 Arasinagoppe | 15 Batti Ranga Rao bin Srinivasa Rao, Head Mirasdar, Munsif's Court | Chikmagalur |
| 32 Attigeri | | |
| 33 Siraguppa | | |
| 34 Muttinapur | 16 G. Abdul Khader bin Maroof Sab | ——do—— |
| 35 Galipuje | | |
| 36 Mugatihalli | 17 Jagannatha Rao, bin Bheema Rao Pant Balamani | ——do—— |
| 37 Mavinahalli | | |
| 38 Basavanhalli | 18 Raja Rao bin Krishna Rao, clerk | Shimoga |
| 39 Kallur | | |
| 40 Arenahalli | 19 B. Rangamma bin Narayappa, Shirastedar | Chikmagalur |
| 41 Mugalavalli | | |
| | 20 B. Rame Gowda bin Deve Gowda | Baganahalli Chikmagalur Taluk |
| | 21 B. Linge Gowda bin Basave Gowda | |
| | 22 Lippe Gowda bin Linge Gowda of Halenahalli | Joldahal Chikmagalur Tk |
| | 23 Chenae Gowda bin Mare Gowda | Aralaguppe |
| | 24 M. Narayana bin Venkatappa | Chickmagalur |
| | 25 Batu Venkat Rao bin Bheema Rao | ——do—— |
| | 26 M. Gurbasappa Chetty bin Siagappa Chetty | Narkipeh (Kempanahalli) |

Grand Total

4861-33
311-34
5179-2

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | 307 | 34 | 698 | 3 | 7,78000 | 10,000 | | |
| 58 | 18 | 102 | 8 | - | - | - | - | 25000 | no | Solvent | |
| 71 | 17 | 79 | 12 | - | - | - | - | 30000 | mortgage for Rs 8000/- | —do— | |
| 47 | 3 | 89 | 12 | - | - | - | - | 15000 | no | —do— | |
| 13 | 33 | 14 | - | - | - | - | - | 8000 | mortgage for Rs 4000/- | —do— | |
| 27 | 22 | 27 | 12 | - | - | - | - | 12000 | no | —do— | |
| 889 | 34 | 1384 | 12 | - | - | - | - | 562000 | no | These two are cocoanut They are undivided & rich. | |
| 543 | 24 | 543 | 8 | - | - | - | - | 400000 | no | This includes lands in Maninkere & Aramane Salagam in the Mudgere Taluk | |
| 433 | 18 | 1928 | 4 | - | - | - | - | 962000 | | | |
| 132 | 28 | 266 | 4 | - | - | - | - | 30,000 | no | Solvent | |
| 169 | 7 | 280 | - | - | - | 6 | - | 100000 | no | —do— | |
| 5 | 27 | 38 | - | - | - | - | - | 400 | no | No solvent up to the value of this lands | |
| 85 | 9 | 120 | 8 | - | - | - | - | 30000 | mortgage for Rs 10000 | Solvent | |
| 45 | 9 | 64 | - | - | - | - | - | 8000 | no | —do— | |
| 4861 | 32 | 7008 | 0 | 507 | 34 | 698 | 3 | 19,98,400 | 32,000 | ✓ | |
| | | | | - 196 | - | | | | | | |
| | | | | 311 | 34 | | | | | | |

A. H. Parker
Deputy Commr
Madura Dist

| | | | |
|---|---|---|---|
| 14 | Hangur | | |
| 15 | Musgali | 7 | A. Shiva Rao bin A. Venkat Rao — Vastara |
| 16 | Pandarvalli | | |
| 17 | Holagavi | 8 | A. Bhima Rao bin Venkat Rao — do — |
| 18 | Dattatripita | | |
| 19 | Mehuluvati | 9 | Hanumantha Rao bin Ramchendra Rao — Hirekolale |
| 20 | Allampur | | |
| 21 | Balehalli | 10 | C. Vasudeva Rao bin Krishnappa — Chikmagalur |
| 22 | Malagar | | |
| 23 | Uppahalli | 11 | G. Shik Alli bin Khader Saibe — Gadabanahalli (Muslemane) |
| 24 | Bendiga | | |
| 25 | Nagenhalli | 12 | Ninivani Gowda bin Ninivani Gowda — Chikmagalur (Donikalna) |
| 26 | Gonakal | | |
| 27 | Togrihankal | 13 | Shivaji Ramachender Shirkdar — Chikmagalur |
| 28 | Kuliyarhalli | | |
| 29 | Vastara | 14 | M. Ganesha Rao, bin Sitaramappa — Balur Mudgere Taluk |
| 30 | Halasabal | | |

CO

525

LETTERS TO BE ADDRESSED AND REMITTANCES MADE PAYABLE TO THE BANK OF MADRAS.

Section 1869
File No 16
Serial No 4

94

Bank of Madras.

Bangalore 5th Augt 1895.

C. Srinivasiengar Esqr
Secretary & Revenue Secretary.
Mysore Government.

Dear Sir.

Mysore Agricultural Banks

With reference to our correspondence towards the
end of last month on the question of the starting
the establishment of the above institutions we
interview with our Managing Director & on his return
Coast I referred his letter & my D.O. & his
both as follows under yesterday's date.

"I beg to acknowledge receipt of your letter of
"24th Ult. enclosing Memo and Articles of
"Association of Agricultural Bank in Mysore
"and Proceedings of the Government of Mysore in
"regard to grant of loans to these Banks

"The Establishment of these institutions will
"not affect our business as we do not deal with
"agriculturists in the Coast Districts and Agency
"Houses in Mysore receive their limits for advances
"is fixed at a very low limit."

I am
Dear Sir
Yours faithfully -
Ulysses S. Grant

P.S.

Since sending letter I told my Wife I had received application for leave from Gen Sheridan & the original of this letter. She says you can retain this until I see you & then give it to me -

U.S.G.

(11)

Read.

Letter no 736 dated the 22° April 1896, from the Deputy Commissioner of the Madura District.

Order thereon No 6916-19 7L 5-86 dt 1-2-97

With the above letter, the Deputy Commissioner submits the memorandum & articles of association for an Agricultural Bank proposed to be established at Chekkanaguram by Mr C Srinivasa Rao and 25 other Coffee planters holding lands in 41 villages of the Chekkanaguram Taluk.

2. On a perusal of the papers submitted, the Government observe that the Signatures of the members have not been affixed to the memorandum & the articles of association as required by the forms laid down for the purpose

The Dewan approves. Issue at once - Q 30-1-97

Print-after issue - Q.

this omission should be supplied.

3. The bank is proposed to be started with a capital of Rs 3 lakhs the aggregate value of the property held by the members is put down as Rs 19, 98, 400 (or 20 lakhs in round numbers) with an encumbrance of Rs 32,000.

4. The Dy: Commr thinks that some penal clause should be inserted in the rules so as to provide against the loan obtained from Government being applied for purposes other than those stated in the application. But Government consider that para 55 of the articles of association sufficiently provides for such cases & that no additional

clause is required as suggested.

5. The Valuation of the property remains to be verified by the Inspector of Agricultural Banks with the aid of a respectable panchayet. and with special reference to the market value of the lands as ascertained from the books of the Registration Department.

6. The applicants propose to regulate the grant of loans by the bank not according to the limit laid down in para 6 of Govt: Pro no 5038·47/2274 d/s[d] December 1893, but according to a scale under which a loan of Rs 1000 is admissible under class I.V "Mudadala or hand loans", and of Rs. 40,000 under any other class: with a proviso

that no member shall at any
time be indebted to the
bank in a larger sum
than Rs 40,000, including
loans of all descriptions
granted both to himself and to
other members on his security
Government are of opinion
that the circumstances of
this ~~Cate~~ Bank are such as to
justify a departure from
the first mentioned scale,
which is intended only
for Banks with a small
limited Capital. A larger
limit may therefore be
permitted in this case
as follows: —

Class I on the security of immovable
property. Rs 25,000

" II on joint pro-
notes } " ~~30,000~~ 3,000

" III on joint
instalment
loans } ~~15,000~~ 1,500

" IV on marketable ~~5,000~~ 500

A fresh memorandum & articles of
association on the lines above indicated
should be obtained from the members
and duly registered —

7. The Deputy Comptroller

instead of submitting an
Extract from the Taluk
map has sent up the
Taluk map itself marking
thereon the villages of the
applicants - As it is likely
that this map will be required
for reference in the District
Office, the Dy: Commr is
requested to submit an
Extract therefrom as early
as possible.

8. With the above
observations, Government
are pleased to sanction
the grant of an advance
not exceeding
Rs 3,00,000 at 4 per
cent interest per annum
subject to the condition
that no money should be
advanced until the
Inspector of Agricultural
Banks shall have

by local inspection and careful
enquiries satisfied himself
as to the solvency of the
members, and the correct
ness of the valuation of
their lands & made a
report to that effect to
the Deputy Commissioner
he amount shall then
be advanced in such
instalments as the
Dy: Commr may consider
proper. Which shall
be recovered half yearly
on 30th June & 31st
December, Commencing
from the date of Each
instalment

9. The Inspector shall
see that all existing
encumbrances
are duly discharged, that
the documents connected
therewith are all duly
taken back, and that in
the Case of all large loans

to the members duly registered deeds of hypothecation together with title deeds and discharged bonds are secured by the bank and lodged in the Government Treasury.

10. The members of this and other agricultural Banks must be made distinctly to understand that the Govt have come to their rescue on a temporary measure only, and that they should use their utmost endeavours to place themselves within a reasonable time in a position to defend upon their own resources & dispense with the help of Govt. This is to be done by the members constituting the Banks out of the increase of their loans all that can be paid off by them and every effort to be made by them to realise their outstanding & as well as by putting by the difference between the rate at which they have hitherto been paying & the very moderate interest

30-1-97

Secy.

N

30/1/97

Do.

The Dy. Comr, Kadapa,

returning the enclosures.

The Inspector of Agricultural Banks with 50 spare copies for distribution among the Banks in his charge.

The Comptroller.

The Inspector General of Registration.

relieve they will benefit
have to pay They must
be clearly warned that
they will be liable
to withdrawn ~~from~~ abuse
of the above important
consideration ~~should~~ be not-
~~it~~ constantly borne in mind
& really exercised
~~or often~~

C.

1-2-97

Received at 4:30 P.M.
1/2/97

Draft. (11)

1896-97

# GOVERNMENT OF MYSORE

FINANCIAL

PROCEEDINGS

*Dated 1st February* 1897

No. 6916-19 / R.F. 117-95

Sanctioning an advance of Rs. 3,00,000 for an Agricultural Bank proposed to be established at Chikmagalur, Kadur district.

M.G.C.P.B.—15-2-97—120

READ:—

Letter No. 736, dated the 22nd April 1896, from the Deputy Commissioner of the Kadur district.

---

No. 6916-19—R. F. 117-95, DATED. BANGALORE, 1ST FEBRUARY 1897.

ORDER THEREON.—With the above letter, the Deputy Commissioner submits the Memorandum and Articles of Association of an Agricultural Bank proposed to be established at Chikmagalur by Mr. C. Srinivasa Rao and 25 other coffee planters holding lands in 41 villages of the Chikmagalur taluk.

2. On a perusal of the papers submitted, the Government observe that the signatures of the members have not been affixed to the Memorandum and the Articles of Association as required by the form laid down for the purpose. This omission should be supplied.

3. The Bank is proposed to be started with a capital of rupees three lakhs. The aggregate value of the property held by the members is put down as Rs. 19,98,400 (or 20 lakhs in round numbers) with an encumbrance of Rs. 32,000.

4. The Deputy Commissioner thinks that some penal clause should be inserted in the rules so as to provide against the loan obtained from Government being applied for purposes other than those stated in the application; but Government consider that para 55 of the Articles of Association sufficiently provides for such cases, and that no additional clause is required as suggested.

5. The valuation of the property remains to be verified by the Inspector of Agricultural Banks with the aid of a respectable panchayat and with special reference to the market value of the lands as ascertained from the books of the Registration Department.

6. The applicants propose to regulate the grant of loans by the Bank, not according to the limit laid down in para 6 of Government Proceedings No. 5038-47—Fl. 274, dated 2nd December 1893, but according to a scale under which a loan of Rs. 1,000 is admissible under class IV "Mubadala or hand loans," and of Rs. 40,000 under any other class, with a proviso that no member shall at any time be indebted to the Bank in a larger sum than Rs. 40,000, including loans of all descriptions granted both to himself and to other members on his security. Government are of opinion that the circumstances of this Bank are such as to justify a departure from the first mentioned scale, which is intended only for Banks with a small limited capital. A larger limit may, therefore, be permitted in this case as follows:—

| | Rs. |
|---|---|
| Class I on the security of immovable property .. .. | 25,000 |
| „ II on Joint pro-notes .. .. .. | 3,000 |
| „ III on Joint instalment bonds .. .. .. | 1,500 |
| „ IV on Mubadala .. .. .. | 500 |

A fresh Memorandum and Articles of Association on the lines above indicated should be obtained from the members and duly registered.

7. The Deputy Commissioner, instead of submitting an extract from the taluk map, has sent up the taluk map itself marking thereon the villages of the applicants. As it is likely that this map will be required for reference in the District office, the Deputy Commissioner is requested to submit an extract therefrom as early as possible.

Has this been received? If not call for it.

8. With the above observations, Government are pleased to sanction the grant of an advance not exceeding Rs. 3,00,000 at 4 per cent interest per annum, subject to the condition that no money should be advanced until the Inspector of

Agricultural Banks shall have, by local inspection and careful enquiry, satisfied himself as to the solvency of the members, and the correctness of the valuation of their lands and made a report to that effect to the Deputy Commissioner. The amount should then be advanced in such instalments as the Deputy Commissioner may consider proper. Interest should be recovered half yearly on 30th June and 31st December, commencing from the date of each instalment.

9. The Inspector should see that all existing encumbrances are duly discharged, that the documents connected therewith are all taken back, and that in the case of all large loans to the members, duly registered deeds of hypothecation, together with title-deeds and discharged bonds are secured by the Bank and lodged in the Government Treasury.

10. The members of this and other Agricultural Banks must be made distinctly to understand that the Government have come to their rescue as a temporary measure only, and that they should use their utmost endeavour to place themselves, within a reasonable time, in a position to depend upon their own resources and to dispense with the help of Government. This is best done by the members constituting the Banks, saving out of the usufruct of their lands all that can possibly be saved after defraying their ordinary expenses and meeting other legitimate requirements, as well as by putting by the difference between the exoribitant interest which they have hitherto been paying and the very moderate interest which they will hereafter have to pay. They must be clearly warned that Government aid is liable to be withdrawn at once if the above important consideration be not constantly borne in mind and readily given effect to.

C. SREENIVASIENGAR,
*Secy. to Govt., Gen. & Rev. Depts.*

To —The Deputy Commissioner, Kadur District, returning the enclosures.
The Inspector of Agricultural Banks, with 50 spare copies for distribution among all existing Banks including the Chikmagalur Bank.
The Comptroller to the Government of Mysore.
The Inspector General of Registration in Mysore.

Exd—H.A.R.